

United States Telephone Association

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January 31, 1995

Ex Parte

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Mr. William F. Caton Acting Secretary Federal Communications Commission 1919 M Street, N.W., Room 222 Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF SECRETARY

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RE: Ex Parte Meeting - ET Docket No. 94-32 - Allocation of Spectrum Below 5 GHz Transferred from Federal Government Use

Dear Mr. Caton:

On January 31, 1995, Paul Hart and Linda Kent representing the United States Telephone Association (USTA) met with Lisa Smith of Commissioner Barrett's office regarding the abovereferenced docket.

USTA is the principal trade association of the exchange carrier industry. Its member companies are seeking opportunities to use wireless technology in the provision of telephone service. This can best be accomplished through the use of wireless local loop.

During the Comment and Reply Comment phase of this proceeding USTA supported the proposal advanced by Southwestern Bell in which the 2390-2400 MHz band would be paired with the 2300-2310 MHz band and used for wireless local loop service. USTA continues to support the wireless local loop proposal and urges the Commission to fully consider the substantial public benefit of assignment of this portion of the spectrum to wireless local loop.

The Commission's stated objective in this proceeding is to ensure that the reallocated spectrum is used in a way that meets the greatest public interest. USTA believes that the record is now complete and wireless local loop clearly is the best proposal for meeting the Commission's stated goal.

Wireless local loop will provide a new opportunity for both large and small companies to offer basic telephone service. Wireless local loop will permit service to be offered in a more

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cost effective manner, to provide service to previously unserved or underserved areas and to achieve greater network infrastructure efficiencies. This efficiency will be especially beneficial in rural areas where distance from the serving end office and terrain conditions often make it difficult and costly for small companies to provide wireline telephone service. Thus, all telephone customers will benefit from wireless local loop by offering a less costly alternative to current local loop technology which would further the availability of universal service.

USTA believes that it is inappropriate to expect exchange carriers to utilize PCS spectrum to serve as wireless local loop. The PCS rules only permit an exchange carrier to utilize 10 MHz of PCS spectrum in areas in which it is the cellular licensee. Accordingly, if an exchange carrier were to use PCS spectrum for wireless local loop, it would be effectively precluded from providing any PCS service in the area if it were also the cellular licensee.

PCS is intended to provide new, portable service capabilities and is expected to be valued and utilized accordingly. Wireless local loop, however, is intended to be a substitute technology for provision of basic telephone service. We therefore anticipate that valuation of spectrum assigned to PCS will be so high as to preclude its use for wireless local loop. If a bidding process for wireless local loop spectrum is entered into with a clear understanding of its limited use, the value of the spectrum will reflect its intended application.

It is also to be noted that the spacing in the spectrum segment to which Southwestern Bell's proposal applies is 90 Mhz between transmit and receive segments. The PCS allocation provides for 80 MHz spacing. This will discourage portable use of this spectrum, as handsets designed for PCS will be basically incompatible with an allocation offset of 90 Mhz.

The allocation to wireless local loop also requires geographic flexibility. A telephone company should be able to bid for spectrum in its own service territory or a group of telephone companies should be able to bid on a larger geographic basis and divide the resulting service territory among them to provide wireless local loop. This sort of flexibility will also be necessary if joint use arrangements are to be concluded with amateur radio users. A commitment to be responsive to amateur radio needs is based on primary allocation for use for wireless local loop. The intent of the industry is to utilize this spectrum to provide telecommunications service with a quality comparable to that of wired connections. Our experience with

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BETRS has shown that absent primary assignment, that objective cannot be realized in practice.

In conclusion, USTA again urges the Commission to allocate the 2390-2400 MHz band, paired with the 2300-2310 MHz band for wireless local loop service. This allocation will also allow the Commission to meet its goal of ensuring that the reallocated spectrum is used in a way that meets the greatest public interest need.

Sincerely,

Paul K. Hart

Vice President, Technical Disciplines United States Telephone Association

cc: Chairman Hundt

Commissioner Quello Commissioner Barrett Commissioner Ness Commissioner Chong

Kathleen Wallman, Chief, Common Carrier Bureau Regina Keeney, Chief, Wireless Telecommunications Bureau Bob Pepper, Chief, Office of Plans and Policy Richard Smith, Chief, Office of Engineering and Technology